



FAIRTRADE LABELLING ORGANIZATIONS INTERNATIONAL

GENERIC FAIRTRADE STANDARDS

FOR

Small Producers' Organizations

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Not applicable

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www.fairtrade.net/standards.html

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0 General Requirements and Guidance

0.1 Purpose

Fairtrade (FT) is a strategy for poverty alleviation and sustainable development. Its purpose is to create opportunities for small producers in the South, who have been economically disadvantaged or marginalized by the conventional trading system. If fair access to markets under better trade conditions would help them to overcome barriers to development and empowerment, they may join Fairtrade.

Small producers can participate in Fairtrade if they have formed producer organizations (co-operatives, associations or other types of organization) that are able to engage in commercial activities, contribute to the environmentally sustainable social and economic development of their members and of their communities, and which are democratically controlled by their members.

0.2 Scope

These standards apply exclusively to all Small Producers' Organizations within the geographical scope determined by FLO. These standards apply regardless of the product to be certified. Fairtrade also publishes product standards, which complement and add specific requirements to these standards. The applicable product standards must also be complied with, and should be read in conjunction with the Generic Small Producers' Organizations standards.

0.3 Structure

These standards are composed of **requirements** against which producer organizations will be inspected. These requirements are divided into:

- **general requirements**, which all producer organizations must meet from the moment they join Fairtrade;
- **minimum requirements**, which must be met before initial certification; and
- **progress requirements**, against which producer organizations must demonstrate compliance over time and by means of continuous improvement. For some progress requirements, the degree of progress required from each producer organization depends on the level of economic or other benefits it receives from Fairtrade and on its specific context.

Requirements for workers in the context of these standards are included in part 4 on "Labour Conditions". The producer organization is not required to ensure benefits to workers that go beyond the level of benefits to small producers.

Each section of the standard begins with an introductory statement that describes the objective of that section. Then the standard itself is presented, setting out the requirements in exact terms. Below the standard the objectives of each clause and guidance for interpretation are provided. These explanations are given in italic script.

0.4 References

When setting the Fairtrade standards, FLO follows certain **internationally recognized standards and conventions**, particularly those of the International Labour Organization (ILO), the most widely-recognized international labour standards. In this document the requirements are worded in their own terms but, where applicable, references are given to other external standards that FLO follows.

FLO also requires that producer organizations always abide by **national legislation** unless that legislation sets standards which are below the referenced internationally recognized standards and conventions, in which case the international standards prevail. However, where national legislation sets higher requirements on a specific issue than these standards then that national legislation shall apply. The same applies to regional and sector-specific practices.

0.5 Definitions

General Small Producer Definition

For the purposes of these standards, typical small producers are described in the following way:

- The producer's labour and that of their family members constitutes a significant proportion of the total agricultural labour undertaken on their farm.
- Most of the producer's working time is spent undertaking agricultural work on their own farm.
- Revenues from the producer's agricultural activities constitute the major part of their total income.
- The capital, assets and infrastructure required for agriculture are such that collective marketing is necessary in order to sell to the target market.

Specific Small Producer Definitions

Based on this generic definition of small producers, two product-specific category applications are derived:

1. Products that are not (highly) labour dependent

This product category is applicable to the following Fairtrade products: **cocoa, coffee, herbs and spices, honey, nuts and oilseeds, quinoa, rice, seed cotton, soybeans and pulses.**

For this product category the following small producer definition is applicable:

Small producers are understood as those that are not structurally dependent on permanent hired labour and that are managing their farm mainly with their own and their family's labour.

2. Products that are (highly) labour dependent

This product category is applicable to the following Fairtrade products: **bananas, cane sugar, dried fruit, fresh fruit, fresh vegetables, fruit juices, tea, and wine grapes.**

For this product category the following small producer definition is applicable:

Small producers are understood as those who meet **all** of the following criteria:

- The number of permanent hired workers does not exceed a specific factor per hectare per crop, as defined by the certification body in its compliance criteria.
- Most of their working time is spent undertaking agricultural work on their own farm
- Revenues from their agricultural activities constitute the major part of their total income
- The production area under cultivation is below or at the level of the average range of farm size in the district or region.

0.6 Implementation

When undertaking inspections and certification decisions the certification body will closely follow the exact wording of the standard and the objectives given. Technical **compliance criteria** for the standards are developed by the certification body. In cases where there is doubt over whether a producer organization has correctly applied a requirement, the certification body will make its assessment according to the objectives set out in these standards. As FLO's main aim is to enable disadvantaged producers to access the benefits of the Fairtrade market, it is not the intention of these standards to prevent the certification of producer organizations because of their lack of capacity at the start of their certification process. However, some aspects of the standards are fundamental to ensuring the rights of the members and workers of the producer organization as well as those of buyers and consumers.

The FLO Standards Unit provides Explanatory Documents to all stakeholders to explain the intent and requirements of the standard and to guide to full understanding of these. The Explanatory Documents however are not part of the Standards, and neither do they replace them. Producers will only be audited on the Standard, not on Explanatory Documents.

0.7 Application

From January 1st, 2009 an amended version of the Generic Fairtrade Standards for Small Producers' Organizations became applicable. It supersedes all previous versions and included new progress requirements. For producer organizations certified against the previous version, the latest deadline for compliance with all requirements, except the new progress requirements, was April 1st, 2009. Indicated deadlines in the new progress requirements 1.1.2.1, 1.1.2.2 and 4.1.2.1 refer to timelines after first certification against this amended version of the standards.

On August 15th, 2009 section 0.8 "Monitoring of amendments" was added, but no changes were made to the content of the standards. This new section does not affect any certification requirements for operators.

For the **environmental part** of this standard, applicants, as well as producer organizations that are certified against the previous version, must demonstrate improvements towards compliance with the **progress requirements**. However, non-compliances with progress requirements of the environmental part of this standard shall not lead to corrective actions nor suspension or withdrawal of a certificate until a revised version is applicable.

0.8 Monitoring of amendments

Fairtrade Labelling Organizations International (FLO) e.V. reserves the right to amend Fairtrade Standards in accordance with FLO's Standard Operating Procedures (http://www.fairtrade.net/setting_the_standards.html). Requirements of Fairtrade Standards may be added, deleted, or otherwise modified. Those who have to meet Fairtrade Standards are required to monitor pending and finalized revisions on FLO's website.

Fairtrade Certification ensures the compliance with Fairtrade Standards. Revision of Fairtrade Standards may lead to a change in the requirements of Fairtrade Certification. Those who wish to be certified or have already undergone certification are required to monitor pending and finalized certification policies and compliance criteria on FLO-CERT's website <http://www.flo-cert.net>.

1 Social Development

1.1 Fairtrade adds to Development

Intent

The direct beneficiaries of Fairtrade within this standard are small producers (including their families) who are organized in producer organizations to advance their interests.

Fairtrade should lead to the demonstrable empowerment and environmentally-sustainable social and economic development of the producer organization and its members, and through them of the workers employed by the organization or by the members, and the surrounding community.

1.1.1 Minimum Requirements

No minimum requirements applicable

1.1.2 Progress requirements

- 1.1.2.1 Within one year of certification, the organization carries out a needs assessment of how the Fairtrade benefits can help promote the environmentally-sustainable social and economic development of the organization and its members.

The organization is expected to create a development plan as stated in the following standard 1.1.2.2.

As a first step the organization must carry out a needs assessment, identifying the social, economic and environmental development needs of the organization and its members (and their families), and considering how Fairtrade benefits will contribute to the development of the organization and its members.

Benefits of workers are addressed in an employment policy which is part of the development plan of the organization. The framework of an employment policy is described in 4.1.2.1.

Direct Fairtrade benefits include the Fairtrade Premium and possible further revenues such as differentials between costs of production, organizational costs and the received Fairtrade minimum price or negotiated market price (where applicable).

What is considered as a Fairtrade benefit (apart from the Fairtrade Premium and possible price differentials) also depends on the organization's own assessment.

- 1.1.2.2 Within three years of certification, the organization has a development plan in place indicating how the Fairtrade benefits will help promote the environmentally-sustainable social and economic development of the organization and its members. The development plan is based on democratic and transparent decision-making.

Based on the results of the needs assessment the organization must create and implement a development plan within three years of certification.

At a minimum, the development plan must contain the Fairtrade Premium plan (once Fairtrade Premium is available, see 2.1.2.1) and the employment policy. The development plan is incorporated in the organization's strategic plan (see 1.3.2.1).

The development plan must be consulted upon with members during the drafting process. The level of involvement of members is expected to improve over time.

The development plan is explained, discussed and agreed at the annual General Assembly and revised on an annual basis.

1.2 Members are Small Producers

Intent

The scope of this standard is for organizations of which a majority of the members are small producers.

1.2.1 Minimum Requirements

- 1.2.1.1 The organization has membership criteria as defined in its own stated rules and regulations (the organization's constitution or by-laws).

Regulations for registration of members of the organization must be specified in the by-laws and statutes of the organization.

Transparent and consistent application of the criteria and recording of members is fundamental for the participation of the organization in Fairtrade and the selling of Fairtrade products.

Membership data must be kept at the office of the organization and regular updates should be given to members about their membership status.

- 1.2.1.2 The majority of the members of the organization are small producers.

More than 50% of the members must be small producers according to the product-specific category and indicators as defined in the introduction.

- 1.2.1.3 Fairtrade products may only be sourced from members. The organization must therefore ensure that products from members are kept separate from non-members' products. Where an organization wishes to sell products produced by non-members, these must not be sold as Fairtrade products.

- 1.2.1.4 For every Fairtrade product sold by the organization, more than 50% of the volume must be produced by small producers.

On a yearly average, smaller producers must provide more than 50% of the volume sold under Fairtrade conditions, to minimise the risk of dominance of a single or a few members of the organization. Small producers are defined according to the product-specific category and indicators defined in the introduction.

1.3 Democracy, Participation and Transparency

Intent

The organization must be an instrument for the social and economic development of the members, and the benefits of Fairtrade must reach the members. The organization must therefore have democratic structures in place and a transparent administration, enabling effective control by the members and the Board over the management of the organization, as well as enabling the members to hold the Board accountable for its activities.

The organization strives to improve its structures and practices continuously in order to maximise the participation of members and their sense of ownership over the organization.

FLO follows ILO Recommendation R193 "on the promotion of cooperatives" which is based on the cooperative principles of "voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for the community".

FLO extends these principles to primary producer organizations (cooperatives, associations or other types of organizations) and to umbrella organizations (where they exist).

1.3.1 Minimum requirements

- 1.3.1.1 An organizational structure is in place which enables effective control by the members. There is a General Assembly with direct or delegated voting rights for all members as the supreme decision-taking body, and an elected Board. The staff answers to the General Assembly via the Board.

Fairtrade wants to work with organizations that see themselves as a tool for supporting the social and economic development of small producers. The way in which an organization works can be a key factor in supporting development. Members must be enabled to participate in free, fair and transparent Board elections and to become involved in discussions about major decisions.

Where the organization considers it appropriate, an elected delegate system can be put in place.

The certification body will check whether the organization abides by its own stated rules and regulations (constitution, by-laws and internal policies, including the election processes).

- 1.3.1.2 The organization holds a General Assembly at least once a year.

The General Assembly is the supreme decision-making body of the organization. It is intended to enable all members to hold the organization's Board and staff accountable for their activities, and to participate in defining the future strategies and activities of the organization.

For the General Assembly to function effectively, it must meet at least once a year.

The meetings must be properly minuted, signed by the President of the Board and at least one other member, and recorded. The minutes must contain a list of participants.

The organization must communicate the plans for the General Assembly in such a way as to reach all the members in time.

- 1.3.1.3 The organization's annual report, budgets and accounts must be presented to and approved by the General Assembly.

This is a requirement common in most legal regulations for organizations of this kind.

For members to be able to hold the organization's Board and staff accountable, the presentation and approval of the annual report and the accounts during the General Assembly are essential.

- 1.3.1.4 Administration is in place.

Participating in Fairtrade requires that the organization has an adequate administration.

There is at least one person (or committee) in the organization responsible for managing the organizational administration and book-keeping.

The organization also needs to have a bank account with usually more than one signatory.

The official records and documentation of the organization must be maintained in a central place and be accessible to all members.

1.3.2 Progress requirements

- 1.3.2.1 From the moment of certification, the organization works towards transparent planning of the business. Such planning is approved by the General Assembly.

Organizations are required to make annual business plans (short-term strategic plans), cash flow prediction plans, and longer-term strategic plans.

These plans should be discussed with all members and be approved by the General Assembly.

- 1.3.2.2 The organization establishes or improves internal mechanisms to facilitate members' control over the administration.

The more closely an organization is managed by its members, the more the members develop a sense of ownership over their organization. Especially in cases where the organization is constantly growing (through the inclusion of new members), it may be advisable to establish internal control mechanisms with a remit to review the business administration.

The need to establish such internal controls depends on the size of the organization and on the existence of employed organizational staff.

- 1.3.2.3 The participation of members in the organization's administration and internal control is promoted through training and education.

The organization is required to provide training and education on business administration and internal control to its members, to increase their understanding and awareness of its operations and hence to enable them to participate more actively in the organization's administration. The amount of training and education required depends on the capacity of the organization.

- 1.3.2.4 Ongoing measures will be taken to review the members' commitment to the organization.

As part of the regular planning of organizational matters it is expected that the Board and staff will review the commitment of members to the organization and take steps to improve member participation. This should be done on an ongoing basis.

Indicators for self-assessment will include the level of membership fees, the level of member participation at General Assemblies and any other organizational structures, and the extent to which members choose to sell their product through the organization.

1.4 Non-Discrimination

Intent

FLO follows the Universal Declaration of Human Rights on ending discrimination. The Declaration rejects "distinction of any kind such as, race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status" (art. 2). FLO expects producer organizations to apply these principles within their own stated rules and regulations (constitution, by-laws and internal policies).

As the Generic Fairtrade Standard for Small Producers' Organizations is a voluntary social standard aiming to support the development of its beneficiaries, the "positive discrimination" of small producer members is intended (see small producer definition and requirements of standard section 1.2). The same applies also for members from disadvantaged or minority groups as specified in 1.4.2.1

1.4.1 Minimum requirements

- 1.4.1.1 The organization does not discriminate against members or restrict new membership on the basis of race, colour, sex, sexual orientation, disability, marital status, age, religion, political opinion, language, property, nationality, ethnicity or social origin. Furthermore, there must be no discrimination regarding participation, voting rights, the right to be elected, access to markets, or access to training, technical support or any other benefit of membership.

Discrimination is making an unfair distinction in the treatment of one person over another on grounds that are not related to ability or merit.

Where particular forms of discrimination exist within an economic sector or geographical region, the organization is expected to show progress towards removing them.

Who may become a member of an organization, and the process for joining, must be made explicit in the constitution and/or the statutes. These may not include restrictions that discriminate against particular social groups on the grounds listed in the standard.

1.4.2 Progress requirements

- 1.4.2.1 Programmes related to disadvantaged/ minority groups within the organization are in place to improve the social and economic position of those groups in the organization, particularly with respect to recruitment, organizational staff and committee membership.

The organization is expected to show how it directly supports members from disadvantaged or minority groups to participate actively in the organization, e.g. by assuming organizational responsibilities.

The organization must identify disadvantaged/ minority groups according to e.g. income, land area, age, and gender. Special attention should be given to the participation of female members.

The applicability of this requirement depends on the size of the organization and the number of members.

2 Socioeconomic Development

2.1 Fairtrade Premium

Intent

The Fairtrade Premium is an amount paid to the producer organization in addition to the payment for their products. The Fairtrade Premium is a tool for development, supporting the organization to realize their development objectives as laid down in its development plan. In the context of small producers' organizations it is meant for investment in the social, economic and environmentally-sustainable development of the organization and its members and through them, their families, workers and the surrounding community. It is for the organization and its members to analyse and evaluate the possible options for spending the Fairtrade Premium. Choices should be made and priorities set depending on the specific situation of the organization and the available amount of Fairtrade Premium. Decisions on the use of the Fairtrade Premium are taken democratically by the members, following principles of transparency and participation. It is the joint responsibility of the organization and its members to take wise and fair decisions.

The organization has the commitment and capacity to administer the Fairtrade Premium in a way which is transparent for beneficiaries and for FLO.

Procedures, roles and responsibilities for handling the Fairtrade Premium are set out in more detail in a separate Explanatory Document available from FLO.

2.1.1 Minimum requirements

- 2.1.1.1 The organization administers and manages the Fairtrade Premium transparently.

The organization must show that it has systems in place to administer the Fairtrade Premium in a transparent way for the benefit of the members and according to the Fairtrade Premium plan as required under standard 2.1.2.1.

"Transparency" also means that information regarding the status of the Fairtrade Premium must be accessible to members within a reasonable timeframe. For the same purpose the organization is required to do separate accounting of the Fairtrade Premium.

- 2.1.1.2 The use of the Fairtrade Premium is decided by the General Assembly and properly documented.

The General Assembly is the supreme decision-making body of the organization. The General Assembly decides on the use of the Fairtrade Premium by approving the Fairtrade Premium plan (see 2.1.2.1).

2.1.2 Progress requirements

- 2.1.2.1 As soon as Fairtrade Premium monies are available, the organization puts an annual Fairtrade Premium plan and budget in place.

The use of Fairtrade Premium money must be carefully planned, monitored and reviewed. The Fairtrade Premium plan to be approved by the General Assembly contains general objectives, activities, mechanisms and/or projects to be financed during the coming year. An estimated budget should be included. The Board is generally responsible for coordinating the Fairtrade Premium planning to ensure that it is done as part of the regular work planning and budgeting of the organization. The Board will present a qualitative and a financial report on the execution of the Fairtrade Premium Plan to the General Assembly, at least once a year. Any changes made to the original agreed plan will be explained at the next General Assembly.

The participation of as many members as possible in the review and planning is encouraged.

2.2 Economic Strengthening of the Organization

Intent

Over time it is expected that being part of Fairtrade acts as a support to the producer organization such that it becomes stronger and more economically sustainable.

The degree of progress expected depends on the level of economic benefits the organization receives from Fairtrade and on its specific context.

2.2.1 Minimum requirements

No minimum requirements applicable

2.2.2 Progress requirements

- 2.2.2.1 The organization should take gradual steps to assume more control over the entire trading process.

To strengthen the organization itself and its position in trade business the organization is expected to gain more knowledge of the supply chain.

Direct communication and negotiation with buyers, having service contracts with exporters who export on behalf of the organization (where applicable), or adding value by establishing processing facilities and/ or shared ownership with other producer organizations (horizontal integration) may be strategies for gradually assuming more control over the trading process and supply chain. However, the appropriate timelines for this, and the extent of control gained over the trading process will be determined by the scale of the operation and the business strategy of the organization.

- 2.2.2.2 The organization will continue to develop its business-related operations and maximise the return to the members.

As a result of constant learning, training of members and staff, high commitment of members and good planning, the organization will be able to work more efficiently and to maximise the return to its members.

This may be through e.g. more Fairtrade sales, more Fairtrade buyers (or non-Fairtrade buyers), more benefits to members, reduced cost in operations, increasingly skilled management and staff, the building up of working capital, implementation of quality control, training/education and risk management

systems and collaboration or even shared ownership (horizontal integration) with other producer organizations.

3 Environmental Development

Intent

The producers' organization ensures that its members protect the natural environment and makes environmental protection a part of farm management. The organization is expected to facilitate the development, implementation and monitoring of producers' operational plans with the aim of establishing a balance between environmental protection and business results through the use of a combination of measures including crop rotation, cultivation techniques, crop selection, careful use of inputs such as fertilizers and pesticides and, as relevant, shade production. The organization ensures that its members minimize the use of synthetic and other off-farm fertilizers and pesticides, partially and gradually replacing them with non-synthetic and on-farm fertilizers and biological methods of disease control. FLO encourages small producers to work towards organic practices where socially and economically practical. Producers are encouraged to minimize the use of energy, especially energy from non-renewable sources. The organization is expected to maintain a management system consistent with its size in order to ensure organizational control of those areas for which it is responsible and to monitor production by its members through the use of recognized inspection and verification methodologies.

3.1 Impact Assessment, Planning and Monitoring

Intent

The organization is expected to assess the environmental impacts of its members' operations, to develop plans designed to mitigate those impacts and to monitor the implementation of those plans.

3.1.1 Minimum Requirements

- 3.1.1.1 A person within the organization is given responsibility for ensuring the production of a plan giving details of how to comply with the environmental standards specified in this document.

How the organization is structured is an essential component of whether or not it can be certified. A resource person, or preferably a management team is needed to oversee that producer and on-farm processing operations are meeting the requirements of the standards. Their duties should be specified in a written job description.

Initially, the plan will focus on the minimum requirements of the environmental standards. Over time the plan will also describe the actions that are needed to ensure compliance with the progress requirements.

- 3.1.1.2 The organization ensures that for certified products no plant material is gathered from protected areas or is propagated in contravention of national and international regulations.

The organization's members should be able to prove the source of their planting stock (all plant material excluding seeds) on request of the inspector.

3.1.2 Progress Requirements

- 3.1.2.1 The organization seeking certification develops and then implements a formalized Internal Control System (ICS) that liaises with the certification body.

Organizations applying for certification during 2007 must, as part of the requirements for certification, develop such an ICS if not already in place and, by the end of 2008, must be able

to demonstrate that they have begun to use all aspects of it. By the end of 2009, all aspects of the ICS must be fully functional.

In the case of organizations that are already certified, a similar 3-year phase-in period will be assigned.

The person(s) responsible for maintaining the internal control system should be able to show an organised methodology and record-keeping system that applies to all levels of the organization from the top management down to the individual member. Data should be updated on an annual basis at least.

These standards allow a gradual phase-in period for the development of the ICS in order to help facilitate the process and allow the certification body to evaluate organizations' progress. Each organization is given the choice of how to design its own ICS, so that it can do so in a manner that makes the most practical sense in its own particular situation.

During the first year the organization should:

- *identify responsible personnel and assign job tasks*
- *compile basic data about all members as applicable to these standards*
- *identify control points as applicable to these standards*
- *decide on a method of verifying that members are compliant*
- *create or assemble documentation to attest to inspectors and the certification body that its system is functioning.*

In response, the inspector and certification body will evaluate the proposed ICS and propose modifications as necessary to ensure that it will guarantee that these standards can be met by all the organization's members and be verified as having done so.

In the second and third year, the organization should demonstrate compliance with the milestones as noted in this standard (3.1.2.1).

Inspectors use field inspection, interviews with members and organization management personnel and review of documents through the Internal Control System to verify that the members meet relevant standards and that the Internal Control System itself is functioning.

3.1.2.2 Any harvesting of wild specimens or products from natural (uncultivated) areas by members of the organization must be done in a manner that assures the sustainability/survivability of the species in its native habitat.

Wild harvesting implies that the only real management activity being undertaken in the production zone is the actual harvest itself. Any other activities related to harvesting (e.g. clearing paths, maintaining camps, etc.) should be done in a way that minimizes human impact and reduces any transient effects as much as possible (e.g. removing rubbish created in camps).

Areas from which wild products are harvested should be clearly defined on maps and verifiable/available for inspection.

Harvesting should be done in a manner that:

- *maintains the viability of the species and allows it to continue to perpetuate itself*
- *is moderated to ensure that the product is still available to other species in the ecosystem that depend on it*
- *ensures that the subsequent harvest cycle will provide a comparable quantity, notwithstanding naturally occurring cycles/variations in production*

3.1.2.3 The organization has a plan for the improvement of the environmental and agricultural practices of its members and will monitor and report on performance objectives in the plan.

The organization should identify all of the aspects that it will monitor in line with these standards. Generally speaking, the organization and its members' practices can be thought of as being of negative, positive, or more or less neutral impact.

The organization should:

- *Notice and commend positive impacts, using them as a model*
- *Monitor and stabilize neutral impacts. Neutral impacts can be accepted but must not decline into negative impacts, and should be improved whenever possible.*
- *Correct negative impacts. In order to effectively monitor these impacts and plans for their mitigation, the organization should specifically identify and describe, at a minimum:*
 - *the type(s) of impacts*
 - *methods of mitigating them*
 - *means of measuring the effectiveness of mitigation methods*
 - *means of documenting the above*
 - *sanctioning of uncooperative producers*

- 3.1.2.4 The organization ensures that its members have identified conservation areas, buffer zones around water bodies and watershed recharge areas appropriate to the region, which will not be cultivated and to which agrochemicals will not be applied.

The reservation of areas for biodiversity and natural resource conservation is vital to ensuring the long-term health and equilibrium of natural ecosystems and good water quality. The impact of humans on 100% of a given land area eliminates the possibility of the native ecosystem's natural balance continuing.

The information mentioned in this requirement should be documented by the organization and verifiable by inspectors. Maps or similar documentation should provide an indication of all pertinent areas.

- 3.1.2.5 New planting in virgin forest areas is prohibited.

The certification body may make exceptions to this rule if the organization can prove that affected members have no other arable land. In such cases, the organization ensures that the new planting is done in a manner that preserves and integrates the native habitat to the maximum possible extent.

- 3.1.2.6 Buffer zones are maintained as required to protect water bodies and watershed recharge areas, virgin forests, and/or other legally protected areas and to protect agricultural plots from potentially polluting sources such as roads.

The size of the buffer zone depends on the local context. Around virgin forests and potable water sources a buffer zone of 100 meters is normally sufficient; 20 meters around rivers, swamps, lagoons, secondary forests and primary roads; 10 meters around secondary roads; 2 meters around tertiary roads.

- 3.1.2.7 In operations in areas of low biodiversity, where buffer zones are bare or undifferentiated from cash crops or in areas not suitable for cultivation, members should plant trees/bushes or otherwise encourage regeneration of natural flora and fauna.

- 3.1.2.8 The organization has a plan that provides an adequate overview of current and projected use of land.

The organization should develop a plan to illustrate that its current and projected use of land is sustainable from an ecological, social and economic perspective. The plan can include both quantitative and qualitative information as appropriate to its particular vision. Examples of quantitative data could include acreage/crop, acreage devoted to biodiversity/reserves, projections or goals for future changes. Qualitative plans might include more about self-sufficiency, greater product diversification, restoration of damaged lands, etc.

- 3.1.2.9 The organization pursues research into and promote the implementation of agricultural diversification within its members' farms (including reforestation and establishment of shade cover as applicable) as is practical in its particular situation and this should be described in

writing. Progress on this should be made over time.

- 3.1.2.10 The organization maintains records that include land usage, agrochemical usage, crop rotation, and water usage.

Records should be verifiable by inspectors. Data should be inclusive and detailed enough to ensure verification down to the individual producers' plot(s).

For perennial systems, the management of the perennial ground cover (e.g. orchard floor or similar) is equivalent to crop rotation, i.e. the ground cover must be managed in a way that protects soil, builds fertility, and otherwise conserves natural resources and biodiversity in line with standards in section 3.4.

- 3.1.2.11 To the best of its ability, the organization supports the environmental and infrastructure projects of the local and regional authorities or other non-governmental organizations and programmes to improve the living conditions of its members (e.g. housing, drinking water supply, roads, reforestation, sewage treatment, garbage and waste collection, transportation, community infrastructure etc.).

Fairtrade operations should embody socially responsible interactions with the community not only on a global market scale but also at the local level. Positive and constructive interactions with the local community have the potential to spread the long-term objectives of the Fairtrade mission. However, this progress requirement is not meant to necessarily dictate the use of the Fairtrade Premium; such expenditure of the Fairtrade Premium should be made only at the judgement of the organization's members as they deem appropriate.

3.2 Agrochemicals

Intent

Producers are expected to continually reduce the volumes and types of agrochemicals used in production to the maximum possible extent. (Definition: the term agrochemicals as used in this document includes all synthetic inputs directly or indirectly used in the production of agricultural products or in the maintenance of processing equipment. This includes pesticides, fertilizers and coadjutants such as cleansing substances, detergents and mineral oil products).

3.2.1 Minimum Requirements

- 3.2.1.1 Materials on the FLO Prohibited Materials List may not be used or otherwise sold, handled, or distributed by the organization.

FLO publishes a list of materials that cannot be used, comprising data from the WHO Class I A&B, PAN's 'Dirty Dozen' and FAO/ UNEP Prior Informed Consent Procedure Lists plus FLO specific additional materials.

The FLO Prohibited Materials List is an integral part of this standard.

The FLO Prohibited Materials List stipulates which materials are prohibited for all products and which are prohibited for specific products.

Toxic chemicals that persist in the environment are a threat to all species inhabiting the region. They circulate through water supplies, soils, plants, and animals, often creating cumulative toxic effects. The use of such chemicals is contrary to Fairtrade's objectives and standards for environmental protection and human safety. A range of alternatives to the chemicals on these lists exists; if a producer or organization cannot find a suitable alternative, it is a sign that the overall plan for land use and crop production should be reviewed.

- 3.2.1.2 This standard only applies to the materials that are exceptionally allowed in certain products and in certain countries, as specified in the tables of the FLO Prohibited Materials List.

The use of the exceptionally allowed materials are minimized and undertaken only in case of definite need, in appropriate Health and Safety conditions and using advanced techniques. An appropriate plan and record to substitute these materials must be developed and operated. Evidence of need must be demonstrated by the producer.

The producer shall demonstrate on the basis of credible evidence the definite need to use the exceptionally allowed materials.

Exceptions are reviewed periodically by the certification body.

3.2.1.3 The organization ensures that agrochemicals are used, handled and stored correctly according to their specific characteristics (toxicity) in order to avoid danger to people and the environment.

The organization ensures that agrochemicals are applied only by persons who take part in an education and control system as described below.

The organization should develop an internal education and control system for agrochemical issues, in order to effectively comply with this standard. The organization's plan should specify an estimated timeline for implementing such a system. The control system should ensure at a minimum that:

- *the organization has a procedure for identifying all of the chemicals potentially in use by its producers, and a means of periodically verifying this*
- *producers are educated as to the effects to human health of each chemical (through whatever exposure), and best practices for avoiding such exposure*
- *re-entry times appropriate to the type of biocide and crop-specific conditions are made known, with efficient mechanisms for notifying members and the community in case of aerial sprayings*
- *producers have a way of communicating real mishaps (i.e., unintentional use or accidental exposures, spills, etc.) to the organization without fear of undue hardship*
- *the organization has a way of recording infractions and implementing remedial actions*

Whenever feasible, communal storerooms should be locked and accessible only by authorised personnel.

3.2.1.4 The organization ensures that all products and packages are clearly labelled.

Whenever practical, storage should be in the original container.

3.2.1.5 The organization ensures that all agrochemicals are only used for the crops for which they are specifically labelled and/or registered in the producer's country.

The organization should have an awareness-raising programme in place to ensure producers receive the appropriate guidance to be able to comply with this standard.

3.2.1.6 The organization maintains safe storage and disposal of all agrochemicals and their containers.

The organization should have an awareness-raising programme in place to ensure producers receive appropriate guidance to be able to comply with this standard.

The organization's plan should specify an estimated timeline for implementing the awareness-raising programme and the actions to become compliant with this standard.

Producers should have a safe means of disposal for used containers or leftover materials no longer in use, and the organization should make it known to producers what their individual options are.

The organization should control and restrict reuse of agrochemical bags and containers: these should not be used for food and product storage/transport.

All potentially hazardous containers, (e.g. pesticide-treated bags used in banana production) should be included in the organization's plan.

- 3.2.1.7 The organization or a subcontractor avoids air spraying of agrochemicals over rivers and other water sources of significant size.

3.2.2 Progress Requirements

- 3.2.2.1 This standard only applies to the materials that are exceptionally allowed in certain products and in certain countries, as specified in the FLO Prohibited Materials List.

Producers must ensure that the use of the exceptionally allowed materials is phased out over time.

The producer should be able to stop using the exceptionally allowed materials through the planning and application of appropriate agricultural techniques.

The producer shall employ apposite substitutes to the exceptionally allowed materials immediately when they become available on the market.

Efforts to find such alternatives are properly documented (e.g. communication with relevant companies and with technical advisers and scientists). Alternative methods and potential substitutes are explored and assessed by practical trials.

- 3.2.2.2 Areas for preparing agrochemicals for use are equipped to handle spills and other mishandling effectively (for example with absorbent material). Spills must not be allowed to seep into soil or water supplies.

The use of chemicals should only be permitted once the producer has ensured that members are trained on the proper handling, storage, dosage, and application techniques for each material to be used.

The producer should document significant mishaps in a manner that is readily available to Fairtrade inspectors. The producer should have a way of recording infractions and implementing remedial actions.

- 3.2.2.3 The organization maintains a written record of all agrochemicals purchased, used and disposed of.

The responsibility for keeping such records can either fall on the organization or the individual producer or be shared between the two. In all cases, the organization's control system should have a way of verifying that the records are accurate. Purchase receipts, records of use and an inventory of existing goods should be reconcilable.

Ideally, records of use should be sufficiently detailed to show (as applicable) dates, materials, dosages, areas treated, method(s) of application, and target pest(s). However, in cases where members are illiterate, use can be estimated by review of purchase (or similar) receipts and disposal receipts, and comparison with the inventory of existing goods. The certification body has the authority to require that additional records be kept in cases where inspectors show reasons to doubt the adequacy of the ICS.

These requirements also apply to products that are not included in the Fairtrade certification, but which are produced by the organization or its members. This is necessary to ensure that if agrochemicals are used in the non-Fairtrade activities of the organization, those uses can be verified as not negatively affecting compliance of the products for which the Fairtrade certification is being sought.

- 3.2.2.4 The organization ensures that its members apply agrochemicals (where permitted within these standards/ FLO Prohibited Materials List) only on the basis of written evidence that they are necessary.

'Evidence' can be defined in a number of ways: the organization should specify how it is defining it. In all cases, the organization and its producers should be able to explain to inspectors their rationale for the use of agrochemicals.

- 3.2.2.5 The organization ensures that its members' decision to use herbicides (where permitted within these standards/ FLO Prohibited Materials List) is supported by written evidence showing that there is no available alternative treatment.

Herbicide use is often a quick-fix option for weed problems. Cultivation techniques are a longer-term solution, but should be practiced regularly as part of a broader agronomic system in order to serve well.

If justification of the use of herbicides can be provided, the plan for use should be accompanied by a plan to reduce or eliminate the need to use them in the future as much as possible. Timelines and activities to remedy the need for herbicide should be specified and these proposed solutions should be monitored and documented by the organization, with corrective or disciplinary sanctions imposed if necessary.

3.2.2.6 Unused agrochemicals are returned to the supplier if feasible.

3.2.2.7 The build-up of resistance to agrochemicals is avoided through appropriate production and dosage techniques and selection of appropriate plant varieties.

3.2.2.8 The timing and type of chemical application(s) should be chosen with the aim of minimizing the quantities used and the threat of human or animal exposure and environmental harm.

3.2.2.9 Aerial spraying by the organization or a subcontractor is undertaken for fungicide application only. Aerial spraying over buffer zones (if any), open water bodies, or residential areas is not undertaken.

3.2.2.10 The organization demonstrates a continual reduction in the toxicity and use of agrochemicals and a continual improvement in its rational use to the greatest possible extent.

The organization and its producers are expected to continuously seek less toxic alternatives to solve agricultural problems. Cultivation techniques should form the basis of creating ecosystems that foster natural plant vigour/resistance and ecological equilibrium.

When cultivation techniques fail or prove inadequate, the organization should have an established order of preference of chemical solutions, progressing from the least toxic to more toxic options. Other aspects being equal, natural materials are preferred over synthetic preparations.

The organization should provide information on cultivation techniques and material solutions to its producers to help them understand what their options are.

3.3 Waste

Intent

Producers are expected to reduce, reuse, recycle and compost waste in a manner that is appropriate to the materials in question.

3.3.1 Minimum Requirements

No minimum requirements applicable

3.3.2 Progress Requirements

3.3.2.1 The organization ensures that its members dispose of any non-agrochemical hazardous waste in a safe manner.

The organization should establish a plan (along with a timeline for its implementation) for the disposal of all the non-agrochemical hazardous waste materials (e.g. used machinery fluids, heavy metals, batteries, etc.). This plan should include, at a minimum:

- *identification of all potential hazardous non-agrochemical waste produced by the organization or its members*
- *rules for the disposal of each type or category of waste product*
- *a system of education for all persons involved about these rules*

- a means of routine or periodic verification that these rules are being followed.

Conditions regarding agrochemical waste are described in section 3.2 of the environmental standards.

3.3.2.2 The organization ensures that its members use organic waste in a sustainable way (e.g. composting, mulching, etc.).

Recycling of natural resources should be maximized in order to make the organization and its producers as self-reliant as possible and reduce the need for consumption of non-renewable resources.

Examples of unsustainable ways of handling organic waste are the burning of crop residues to get rid of them and allowing processing residues to flow into a drainage stream, etc.

The organization should develop a plan (specifying a timeline for its implementation) for sustainable use of organic waste that includes, at a minimum:

- identification of the kinds of organic waste involved
- identification of potential ways of recycling each type of waste so that it is assimilated back into the ecosystem in a productive manner
- identification of potential hazards to the food safety of the Fairtrade product(s), water, or soil quality by mishandling of the waste. Such hazards should be analyzed on an individual producer level as well as a group activity level (e.g. pooled wastes at a processing site)
- education of producers and related operators about proper techniques of handling waste to ensure that they do not pose a threat to food safety, water, or soil quality

3.3.2.3 The organization ensures that its members do not feed animals with organic waste that is contaminated by pesticides.

Organic waste (e.g. crop residues, flower foliage, etc) that is contaminated by pesticides can be identified as such by visible residues/effects of chemical reaction, smells, etc.

3.3.2.4 The organization ensures that its members manage organic waste and crop residues appropriately to prevent the spread of disease or pest problems to crops, livestock, or humans.

3.3.2.5 The organization ensures that its members do not burn waste if there is an environmentally less damaging alternative.

Producers should be educated about which materials should never be burned, which materials can/cannot be burned under certain circumstances and what those circumstances are. A list should be generated and updated as necessary.

If incineration of waste is deemed the only feasible solution, adequate conditions should exist to ensure that fire is controlled, environmental protection is optimised, and any other damages resulting from the fire are minimised.

3.3.2.6 Any materials that can be effectively recycled are. Paper, plastic, metal, wood, and other waste material must be separated and recycled whenever possible.

It is acknowledged that recycling systems and similar relevant waste streams may be limited in certain areas due to limitations of infrastructure or regional progress in this regard.

3.4 Soil and Water

Intent

Producers are expected to maintain and enhance the fertility and structure of soil. Water resources are managed with the objectives of conservation and non-contamination.

3.4.1 Minimum Requirements

- 3.4.1.1 The organization ensures that its members have undertaken procedures and practices designed to reduce and/or prevent soil erosion caused by wind, water, and/or human or animal impact.

The conservation of soil is a primary tenet of sustainable agricultural production. Soil serves as the basis of human livelihood and should be protected to the maximum extent possible.

The organization should set up an education and control system concerning soil erosion, so that awareness is raised and actions are taken to become compliant with this standard. The organization's plan should specify an estimated timeline for implementing such a system.

The system should ensure that:

- *The organization evaluates the possible causes of erosion on any of the land or affected water resources under its scope where products for Fairtrade labelling are produced.*
- *All pieces of land are individually inspected by the organization and existing problems identified and documented. Remedial actions appropriate to the problem should be imposed and followed up on a pre-decided timeline to ensure that the situation is improved.*
- *Land that is at risk of erosion is noted by the organization, and monitored regularly to ensure that activities or phenomena (e.g., grazing, tillage, bare areas, water runoff, etc.) do not result in the creation of erosive conditions. Remedial actions appropriate to the problem should be imposed and followed up on a pre-decided timeline to ensure that the situation is improved.*

- 3.4.1.2 The organization ensures that its members have undertaken procedures and practices designed to enhance fertility and soil structure.

Understanding of the basic agronomic principles of tillage and irrigation practices, building of soil fertility, and crop rotation (as applicable) should be part of every organization's operating plan.

The organization should set up an education and control system concerning fertility and soil structure, so that awareness is raised and actions are taken to become compliant with this standard. The organization's plan should specify an estimated timeline for implementing such a system.

The system should ensure that:

- *A person or persons with adequate expertise in these areas are part of the organization's management team. He/she should be able to critically evaluate individual members' fields and practices, and have the authority to recommend or impose conditions for improvement as appropriate to each situation.*
- *The organization establishes its own internal guidelines for minimum requirements to ensure soil fertility and improved soil structure. These requirements are based on techniques/practices that are known to be successful over the long term.*
- *The organization has a way of monitoring, measuring or otherwise evaluating how producers are complying with the standard. The need for corrective measures should be documented and followed up to ensure that improvements are made as required.*

3.4.2 Progress Requirements

- 3.4.2.1 The producer ensures that water management, tillage practices, and/or use of irrigation water does not lead to or contribute to contamination of water supplies, excessive salinization of soil or desertification.

The long-term sustainability of any region depends on the judicious use of water resources. Where irrigation water is used as a primary water source or where water is otherwise in short supply, the organization should pay attention to issues of:

- *depletion of groundwater or surface water bodies (including in-stream flow)*
- *salinization of soil*
- *tillage and ground cover practices to maximise water retention in the soil.*

In all cases, the organization should identify the water resources that are being used and document how (methods/ techniques) this was done.

For those operations where desertification is a known or suspected potential problem, the organization should have a plan that includes concrete steps to conserve water, reduce the need for getting it from irrigation or groundwater systems, and adjust the agricultural and/or business plan as necessary to adapt to the ongoing water shortages.

- 3.4.2.2 The organization ensures that its members use irrigation methods and systems that minimize water consumption as much as is feasible for the operation in question.

Examples are drip irrigation, water application direct to the root zone, or other traditionally practiced effective and well-managed watering techniques.

- 3.4.2.3 The organization ensures that its members use water for processing operations in the most efficient manner possible.

Examples are the recirculation and/or recycling of water used for washing, controlled spray washes, etc.

- 3.4.2.4 The organization ensures that its members avoid the lowering of the groundwater level or any other negative effect on the availability and quality of drinking and irrigation water for the surrounding communities and farmers.

This could be detected by, for example, seeing that wells are running dry, that wells need to be dug deeper, that water supplies have a higher salt content than before or via water analyses, etc.

The lowering of groundwater levels can be avoided by reducing water consumption and/or using alternative sources of water (e.g. collecting rainwater).

- 3.4.2.5 The organization ensures that waste water is handled in a manner that does not have a negative impact on water quality, soil health and structure or food safety.

The organization should have a plan for monitoring the water quality of all waste water discharged. The plan should include, at a minimum:

- *establishment of baseline levels of acceptability for waste water quality*
- *method(s) of analysis of water quality and a specified frequency of monitoring*
- *a means to correct any incidence of contaminants down to adequate levels*
- *documentation of the above, or other suitable means of recording or verification.*

The organization should install water filtration or other treatment systems as necessary to meet the requirement.

- 3.4.2.6 The organization ensures that its members discharge waste water from any system with which the organization or its members are involved in a way that does not:

- pollute water that might be used as part of a human or animal drinking supply
- contaminate soil or crops with chemicals or their by-products
- contaminate crops or soil with excessive nutrients or contaminate harvestable crops with pathogenic microbes. Attention should be paid to the judicious handling of animal manures near water bodies or flows

3.5 Fire Intent

Producers are expected to prevent the use of fire in ways that adversely affect natural systems.

3.5.1 Minimum Requirements

No minimum requirements applicable

3.5.2 Progress Requirements

- 3.5.2.1 The organization ensures that its members use fire to clear or prepare land for production only if it is known that this is the preferred ecological option.

The rationale for using fire in this manner should not go against the requirements of standards in section 3.4. Traditional forms of agriculture may indeed be valid systems for sustainable production. However, factors such as increasing population pressure on a given land area or market incentives to produce cash crops cannot be allowed to compromise the integrity or sustainability of the traditional system.

The certification body has the authority to require written justification that the practice is necessary, on a case-by-case basis.

- 3.5.2.2 The organization ensures that only trained members use fire to clear or prepare land.

It is up to the organization to define what proper training is, based on their particular situation. This definition should be in written form and available to the inspector and the certification body.

The organization should establish formal guidelines and clear practices to ensure that only targeted lands are burned, and that non-target lands are left unaffected.

- 3.5.2.3 The organization ensures that its members have adopted fire safety procedures and practices that are appropriate to the operation.

The organization should establish basic rules for fire management. These should be in written form and also communicated to all members.

3.6 Genetically Modified Organisms (GMO)

Intent

Producers do not use GMOs in either the production or processing of products.

3.6.1 Minimum Requirements

- 3.6.1.1 The organization ensures that its members do not grow any GMO products.

Genetically engineered seed or planting stock should not be used. If certain members or parts of the organization produce products that are not destined for Fairtrade labelling, none of those products may be GMOs.

3.6.2 Progress Requirements

- 3.6.2.1 The organization ensures that its members monitor possible GMO usage by neighbours and where necessary take additional precautions to ensure that their crops or any seed or propagation material saved for future plantings are not contaminated by GMO traits. The organization shall have a written plan that describes what methods it will employ to fulfil this requirement.

Producers' crops grown in the vicinity of neighbouring crops that are GMOs and of the same species are at risk of contamination via GMO pollen drift.

The meaning of the term 'vicinity' varies depending on the potential outcrossing of the crop in question. Wind-pollinated crops are riskier than insect pollinated crops, which are riskier than self-pollinated crops. Physical/terrestrial barriers and topography can increase or decrease the possibility of GMO contamination. Each operation should therefore make a reasonable attempt to assess its own situation, and present its plan of action to the inspector and certification body.

Verification that seed is not a GMO variety is mandatory for any species known to be available on the market in GMO form. Such verification can be in the form of a statement from the supplier of the seed

or stock, which includes at a minimum:

- the seed or stock species, variety, and lot number (if applicable)
- whether it is or is not a GMO
- what percentage of purity the supplier guarantees the seed stock to be
- the country of origin of the lot or stock in question

The testing of seed supplies for the presence of GMO traits is generally not a required practice. The certification body has the right to require testing in cases of suspicion of GMO contamination.

When the organization carries out GMO testing, the results of the test shall be documented and include at a minimum:

- the species and lot number of the tested sample
- the sample size
- the method of the test
- the sensitivity of the test
- the test result

Producers and organizations are encouraged to save their own seeds and propagate their own perennial plants from existing local (or otherwise regionally adapted) stock as far as is consistent with local law.

3.6.2.2 The organization ensures that its members do not use any products derived from GMOs in primary production or in processing.

The organization shall investigate all inputs used in field production and processing. It shall verify that no inputs that are used in the production or processing system constitute a GMO under Fairtrade certification. The means of verification shall be specified by the organization, approved by the certification body and verified by the inspector.

3.6.2.3 Inputs, processing aids, and ingredients are traced back one step in the biological chain to the direct source organism from which they are produced to ensure that they are no longer regarded as GMOs.

For the purposes of these standards, if a GMO is passed through another non-GMO biological system so that it is transformed into a new product whose composition leaves none (or a negligible amount) of the original GMO substrate, the new product is no longer considered a GMO. Examples are: (i) the composting of GMO plant debris (no GMO microbes allowed) and (ii) non-GMO microbial fermentation of GMO corn into simple sugars, citric acid, or alcohol.

Examples of non-compliant farming inputs are: (i) uncomposted GMO cornstalks or (ii) Bacillus thuringiensis (Bt) spray from a GMO strain of Bt.

It should be noted that a biological transformation is required. Physical refinement alone (such as the refining of GMO soya oil to obtain lecithin or tocopherols) is not sufficient to meet the requirement.

4 Labour conditions

Intent

FLO regards the ILO Conventions as the authority on working conditions, and expects all small producers' organizations to meet the ILO requirements as far as possible.

Fairtrade should lead to the demonstrable empowerment and environmentally-sustainable social and economic development of the organization and its members, and through them the workers employed by the organization or by the members.

Standard sections 4.1 to 4.3 on Employment Policy, Freedom from Discrimination and Freedom of Labour are applicable to all workers employed by the producer organizations or by members.

The term “workers” refers to all waged employees of the producer organization and of its members. It includes migrant, temporary, seasonal, sub-contracted and permanent workers. Where family labour of members of the small producer organization is employed directly by the organization, the term “workers” also includes them.

The term “workers” is not limited to field workers but includes all other hired personnel, e.g. employees working in the organization’s administration. However, the term is limited to personnel that can be unionised.

Standard sections 4.4 to 4.6 on Freedom of Association and Collective Bargaining, Conditions of Employment and Occupational Health and Safety are only applicable where a significant number of workers are employed by the organization or a member of the organization and where these workers are involved in producing a Fairtrade product (e.g. in a processing facility). These standards are only applicable where the organization, an individual member or a group of members own at least 75% of the facility.

Where a significant number of workers are employed by the organization, the requirements of section 4.4 to 4.6 are applicable to all types of workers.

Where a significant number of workers are employed by a member of the organization, all standard requirements should be met. The focus of the compliance criteria as set by the certifier will be on the permanent workers. The certifier interprets “significant” number of workers on the basis of national labour law.

4.1 Employment policy

Applicable to all workers employed by the producer organization or by members.

4.1.1 Minimum requirements

No minimum requirements applicable

4.1.2 Progress requirements

4.1.2.1 Within three years of certification the organization has developed an employment policy as part of its development plan (see 1.1.2.2).

The employment policy operates in addition to the standards requirements as laid down in part 4 of this standard. Organizations should pay special attention to the cases where only small numbers of workers are employed by the organization or by individual members who are not covered by standards sections applicable for significant amount of workers (4.4 to 4.6).

The organization starts developing an employment policy by carrying out an assessment on how to improve the working conditions of both its own workers and any workers employed by individual members of the organization. The assessment should identify the priority needs of workers from the standards sections covered in part 4:

- *Freedom from Discrimination*
- *Freedom of Labour*
- *Freedom of Association and Collective Bargaining*
- *Conditions of Employment*
- *Occupational Health and Safety*

The organization may also identify additional areas for improvement.

The implementation of the employment policy could include:

- *The development of awareness-raising tools to support the improvement of working conditions, such as the development of leaflets or visual guides on health and safety issues, or the organization of training workshops for members and workers on workers’ issues.*
- *Taking workers’ needs into account when developing Fairtrade Premium projects (see section 2.1).*
- *More advanced organizations can develop and implement internal rules for their members on working conditions.*

The employment policy is consulted upon during the drafting process. Members as well as workers should be consulted during the drafting stage. The level of involvement of workers is expected to improve over time.

The employment policy is explained, discussed and agreed at the annual General Assembly and revised on an annual basis. Workers' representatives should be invited to the General Assembly to participate as observers.

Depending on the number of workers involved, on the strength of the organization, and on product-specific realities, the organization should consider developing organizational structures to enable the participation of workers in decision-making on the employment policy.

4.2 Freedom from Discrimination

Applicable to all workers employed by producer organizations or by members.

Intent

FLO follows ILO Convention 111 on ending discrimination of workers. The Convention rejects “any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation” (Art. 1).

4.2.1 Minimum requirements

- 4.2.1.1 The organization ensures that there is no discrimination on the basis of race, colour, sex, sexual orientation, disability, marital status, age, religion, political opinion, membership of unions or other workers' representative bodies, national extraction or social origin in recruitment, promotion, access to training, remuneration, allocation of work, termination of employment, retirement or other activities.

Discrimination is making an unfair distinction in the treatment of one person over another on grounds that are not related to ability or merit.

Where discrimination is endemic within a sector or region, the organization is expected to address this, e.g. within the framework of the employment policy (see. 4.1).

During recruitment, pregnancy, HIV and genetic tests are prohibited.

- 4.2.1.2 The employer does not engage in, support or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse.

Where discrimination is endemic within a sector or region the organization is expected to establish and implement a clear policy and system to prevent improper disciplinary practice. The policy shall be in line with the principle of non-discrimination. Workers should be aware of this policy. The organization should have in place an adequate system of records.

- 4.2.1.3 The employer does not engage in, support or tolerate behaviour - including gestures, language, and physical contact - that is sexually intimidating, abusive or exploitative.

Where discrimination is endemic within a sector or region an appropriate policy and system should be put in place to prevent any behaviour that is not in line with this requirement.

The organization should have in place an adequate system of records.

4.3 Freedom of Labour

Applicable to all workers employed by the producer organization or by its members.

Intent

FLO follows ILO Conventions 29, 105, 138 and 182 on child labour and forced labour. Forced or bonded labour must not occur. Bonded labour can be the result of different forms of debt owed by the workers to a company or to intermediaries.

Children may only work if their work is structured so as to enable them to attend school. For children who work outside of school hours, their work should not be so demanding as to undermine their educational attainment. If children work, they shall not execute tasks that are particularly hazardous for them because of their age.

Family labour in the form of children helping their parents after school and in holidays is not considered as child labour within reasonable limits and if guided by a family member.

4.3.1 Minimum requirements

4.3.1.1 Forced labour, including bonded or involuntary prison labour, does not occur.

As defined by ILO conventions 29 and 105, forced labour includes work that is exacted from any person under the menace of any penalty and for which the said person has not offered him or herself voluntarily.

The employer must not retain any part of the workers' salary, benefits, property or documents in order to force them to remain in that employment. The employer must also refrain from requiring or forcing workers to remain in employment against their will through the use of any physical or psychological measure.

The employer must explain to all workers that each worker is free to leave at any time, giving a due notice period as per his or her contract.

The term 'bonded labour' also refers to workers having received loans from employers, when these loans are subject to unreasonable terms and conditions (such as excessively high interest rates).

4.3.1.2 Child labour does not occur.

Children below the age of 15 are not employed (contracted).

Where children help their parents at individual member level after school and during holidays this is not considered as child labour under the following conditions:

- *The child's work does not jeopardise her or his attendance at school, and is not so demanding as to undermine her or his educational attainment.*
- *The work does not jeopardize the child's social, moral or physical development and does not constitute a hazard to the child's health,*
- *Working hours are maintained within reasonable limits.*
- *A member of the family must supervise and guide the child.*

Where children have worked or been employed in the past, it is expected that the organization has put in place a remediation policy. The objective of the remediation policy is to ensure that any children who once worked for the employer and who no longer do so do not enter into worse forms of work.

Wherever applicable – and particularly in contexts where there is a high likelihood of child labour occurring – the organization considers the underlying social and economic context in its development plan for effectively eliminating child labour. One example of an appropriate response might be to implement community projects to improve children's access to schooling.

4.3.1.3 Working does not jeopardise the school attendance, the educational attainment, or the social, moral or physical development of the person under 18 years of age.

4.3.1.4 Persons under 18 years of age shall not be admitted to any type of work which, by its nature or the circumstances under which it is carried out, is likely to jeopardise their health, safety or morals.

Persons under 18 years of age shall not handle chemicals or perform other duties that constitute a health hazard. Persons under 18 years of age shall not be allowed to undertake work during the night.

- 4.3.1.5 Employment of a worker is not conditional on the employment of their spouse. Spouses have the right to work elsewhere.

This also applies where housing is provided to the worker and his/her family.

4.4 Freedom of Association and Collective Bargaining

Applicable to producer organizations where a significant number of workers are employed and to individual members of producer organizations who employ a significant number of workers.

Intent

FLO follows ILO Conventions 87 on “Freedom of Association and Protection of the Right to Organise” and 98 on “Right to Organise and Collective Bargaining” and Recommendation 143 on “Workers’ Representatives Recommendation”. “Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorisation. Workers’ and employers’ organizations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programmes.”

Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment. The term ‘workers’ organization’ as used below refers to any organization of workers with the aims of furthering and defending the rights and interests of workers. FLO enshrines the rights of freedom of association and collective bargaining and considers independent trade unions the best means for achieving this.

4.4.1 Minimum requirements

- 4.4.1.1 The employer recognises in writing and in practice the right of all workers to establish and to join workers’ organizations of their own choosing and to collectively negotiate their working conditions.

The term ‘workers’ organizations’ is used in reference to ILO Convention 110. The ILO defines the term as any organization of workers with the aims of furthering and defending the rights and interests of workers.

Workers are free to legally incorporate their organization.

It is expected that there has not been any opposition from the employer to workers organizing themselves within two years prior to application for certification, or, if this has been the case, that the organizational circumstances have changed substantially in the intervening time (e.g. through a change of management).

- 4.4.1.2 The employer allows trade unions not based at the organization to meet and share information with the workforce at an agreed time and place without the interference of management.

The employer allows information meetings between workers and trade union officials to take place.

Such events should take place on request from the workers or from external union officials if the union they represent is involved in a Collective Bargaining Agreement (CBA) within the relevant industry or at national level.

Participation of workers in this meeting is voluntary.

- 4.4.1.3 The employer ensures that neither workers nor their representatives are discriminated against or suffer other repercussions because of freely exercising their right to organise or because of their decision whether or not to join a workers’ organization and/or participate in its legal activities.

It is expected that the employer does not move or close production or deny access to workers for the direct purpose of retaliating against those who have formed or are attempting to form a workers' organization.

Other indicators of discrimination might be longer working hours, difficulty with transport (for themselves and colleagues) and dismissal.

The employer is requested to report all cases of dismissals of union or workers' organization leaders to the certification body immediately, giving reasons for dismissal.

The employer maintains a register of all terminated contracts with details on circumstances/reasons for termination and indicating whether the worker was a member of a union or workers' organization.

4.4.2 Progress requirements

- 4.4.2.1 If no active and recognised union is able to work in the area, the organization encourages the workers to democratically elect a workers' organization which represents them and which negotiates with the employer to defend their rights and interests.

FLO upholds the rights to freedom of association and collective bargaining and considers independent trade unions the best means for achieving this. This provision relates to situations where free and independent trade unions are prohibited by law, where trade unions are managed by government rather than by their members, or where a representative trade union is not actively present in the area where the organization operates.

The employer and their workers may ask FLO for assistance in contacting representative trade unions if such unions are not active on the organization's site.

An active workers' organization is needed to ensure that the Fairtrade standards are adhered to.

The term 'recognised' means that the union is a member or affiliate of a national or international trade secretariat (e.g. Global Union Federation).

- 4.4.2.2 The representation and participation of the workers is improved through training activities for workers and administrative staff (employed by both the organization and its members) alike. The employer provides adequate resources for this to take place.

The employer and workers alike may initiate training. Training is aimed at improving workers' awareness of the principles of Fairtrade and of workers' rights and duties.

Training activities are undertaken during paid work time.

4.5 Conditions of Employment

Applicable to producer organizations where a significant number of workers are employed and to individual members of producer organizations who employ a significant number of workers.

Intent

FLO follows ILO Conventions 100 on equal remuneration and ILO Convention 110 on conditions of employment of workers.

4.5.1 Minimum requirements

- 4.5.1.1 Conditions of employment and in particular salaries are equal to or exceed sector CBA regulations where they exist, regional average wages or official minimum wages for similar occupations, whichever is higher. The employer shall specify wages for all functions.

National laws and applicable CBA terms must be complied with. Where national laws and applicable CBA terms exceed this standard, they supersede the standard. Where the provisions in this standard exceed national laws and CBA terms then this standard shall apply.

For remuneration based on production, quotas, or piecework, the pay rate allows the worker to earn the proportionate minimum wage or relevant industry average (whichever is higher) during normal working hours. This pay rate is made public. Such remuneration should not occur as a means to avoid

time-bound contracts. Where rates for piecework are applied, workers should agree that these rates are fair and the method of calculation is transparent and obtained through suitable means.

- 4.5.1.2 Payment is made regularly and in a timely manner, in legal tender, and is properly documented.

Documentation should consist of pay slips bearing all necessary information.

Mutually agreed payment practices such as remuneration of daily activities in cash or in cash and kind are acceptable if the worker explicitly agrees and this is the typical method of payment in the local context.

4.5.2 Progress requirements

- 4.5.2.1 Other relevant conditions of employment such as maternity leave, social security provisions and non-monetary benefits are at least equal to national law, the sector CBA regulations where they exist, or the Agreement signed between the workers' organization and the employer, whichever is more favourable to the employee.

National laws and applicable CBA terms must be complied with. Where a workers' organization exists it is encouraged to negotiate the conditions of work with the employer (see 4.4.2.1). Workers have the right to choose representatives to take part in any negotiations, without external interference.

- 4.5.2.2 All permanent workers must have a legally binding written contract of employment.

The contract shall include all necessary items related to the position of the worker. If applicable, sector-specific contracts may be used as guidance.

The contract safeguards the worker from loss of pay in the case of illness, disability and accident. In case of dissolution of the contract, the notice period must be identical for employer and worker. The worker must be provided with a copy of the signed contract.

- 4.5.2.3 An adequate regulation on sick leave is put in place.

The regulation refers both to sick leave directly caused by the work (e.g. accident during work) and not related to the work (e.g. unrelated illness) where there is medical proof for the illness. The regulation stipulates that sick leave is not deducted from annual leave.

- 4.5.2.4 A working hours and overtime regulation is put in place.

Working hours and overtime must comply with applicable law and industry standards.

- 4.5.2.5 Salaries are gradually increased to levels above the regional average and official minimum.

It is expected that salaries will be negotiated between the employer and the workers' organization (where it exists) through a benchmarking system (taking into account salaries and other benefits of comparable businesses) and in relation to the additional income the organization or member realises through Fairtrade.

- 4.5.2.6 Where possible all regular work is undertaken by permanent workers.

The objective is that work is undertaken by permanent workers and legal obligations are not avoided through continuous use of fixed-term employment contracts. Only work that is added to usual work levels during peak season may be undertaken by seasonal workers. Regular work excludes all seasonal work. Time-limited contracts or any subcontracting are only issued to non-permanent workers during peak periods or in the case of special tasks.

- 4.5.2.7 Local and migrant, seasonal and permanent workers receive equivalent benefits and employment conditions for equal work performed.

Equivalent benefits take into account situations when, for example, a pension scheme or social security cannot be made available to a set of workers. In these cases workers should receive the equivalent/an alternative benefit through other means.

The annual employers' work plan specifies measurable objectives with regard to this.

4.6 Occupational Health and Safety

Applicable to producer organizations where a significant number of workers are employed and to individual members of producer organizations who employ a significant number of workers.

Intent

FLO follows ILO Convention 155 which aims “to prevent accidents and injury to health arising out of, linked with or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.”

4.6.1 Minimum requirements

- 4.6.1.1 Work processes, workplaces, machinery and equipment on the production site are as safe as reasonably practicable.

The organization is expected to carry out a risk analysis of health and safety issues. This risk analysis shall identify risk areas and potential hazards. This is the first step to developing a Health and Safety (H & S) policy as required in 4.6.2.4.

- 4.6.1.2 The following persons must not undertake any potentially hazardous work: persons younger than 18 years; pregnant or nursing women; persons with incapacitating mental conditions; persons with chronic, hepatic or renal diseases; and persons with respiratory diseases.

The intention of the standard is to ensure that the specified types of workers do not carry out potentially hazardous work (e.g. application of pesticides). It is the responsibility of the employer to ensure that for any existing worker alternative employment is found to ensure continuous employment, in cases where a change of work is necessary to comply with this standard.

- 4.6.1.3 The employer provides adequate emergency first aid facilities, equipment and appropriately trained first aid staff to meet all reasonably foreseeable emergency first aid situations.

Suitably stocked first aid boxes must be present in the workplace and be quickly accessible at all times.

The employer trains a reasonable number of workers (in relation to the size of the operation) in first aid.

- 4.6.1.4 All workers must have access to potable water and clean sanitary facilities.

Drinking water facilities must be clearly labelled as such and be placed within reasonable proximity to the workplace.

The number of sanitary facilities (toilets, washing facilities and showers), separate for men and women, must be in proportion to the number of workers. Sanitary facilities must be well maintained.

Hand washing facilities must be close to toilets.

4.6.2 Progress requirements

- 4.6.2.1 A workers' representative must be nominated who can be consulted on health and safety issues and who raises workers' concerns on health and safety issues with the organizational management.

The workers' representative on health and safety issues is not necessarily hired exclusively for this task but may have other duties and responsibilities within the operation.

Where appropriate the workers can choose to create a health and safety committee.

4.6.2.2 Workers engaged in any potentially hazardous work are adequately trained.

The workers are aware of the health and environmental risks of the activities they undertake and the products they handle, and are able to take correct emergency actions in the case of an accident.

All information, safety instructions, re-entry intervals and hygiene recommendations should be displayed clearly in a visible place in the workplace in the local language(s) and with pictograms.

4.6.2.3 Workers performing hazardous tasks are provided with adequate personal protective equipment of good quality and in good condition at the employer's expense.

This applies to all workers, including temporary workers.

The management implements the necessary measures and control systems to assure that the protective equipment is used without exception and that replacement equipment is ordered and distributed in due time.

4.6.2.4 A Health and Safety policy is developed to minimise any inherent risk to health.

A Health and Safety (H & S) policy shall be developed that addresses all necessary measures, means and control points. The policy is documented and communicated to the workers and is part of the overall employment policy. As a result of this policy:

- *Risk areas and potential hazards must be clearly identified by warning signs in local languages and including pictograms if possible.*
- *Safety instructions and procedures including accident prevention and response must be in place and communicated to staff.*
- *All hazardous machinery and equipment must be equipped with adequate safety devices. Protective guards must be placed over moving parts.*
- *Safety equipment must be provided to all workers who perform hazardous tasks. They must be instructed and monitored in its proper use.*
- *Equipment for chemical spraying must be stored safely.*

4.6.2.5 Workers and their representatives are trained in the basic requirements of occupational health and safety, relevant health protection and first aid.

Special measures are taken to identify and avoid recurring health risks to vulnerable workers operating in high risk areas.

All workers will be given a formal induction and refresher training on occupational health and safety issues related to all aspects of their tasks. In the case of certain key hazardous tasks, including spraying, working with hazardous chemicals, substances and materials and other potentially hazardous tasks such as operating vehicles and other machinery, workers will receive formal recorded training to allow them to work safely in the context of the hazards that they are presented with.

Information and training courses are held periodically during working hours. The frequency of training depends on the risks of the operation and the size of the production site. In particular, training should be given and regularly repeated to new and reassigned workers.

All training activities must be recorded. Records should include information on topics, time, duration, names of attendees and trainers.